

ICAP

I ndustrial C ommittee of A mmunition P roducers

U.S. ARMY/GOVERNMENT PARTICIPANTS

Major General James W. Monroe
Commanding General

Brigadier General John J. Deyermond
Deputy Chief of Staff, Ammunition

Mr. Milton McKinney
Ombudsman/Competition Advocate

Brigadier General John P. Geis
Commanding General

Colonel Lawrence J. Sowa
Commander

NDIA MEMBERS

Major General Paul L. Greenberg
U.S. Army (Ret)
Vice President Operations
NDIA

Colonel Ira M. Click
U.S. Army (Ret)
Assistant Vice President, Operations
NDIA

MEMBERS AND SECTORS

Dr. Winston N. Brundige

★ **Demilitarization**

Mr. Floyd A. McCreight

★ **Pyrotechnics**

Dr. Peter A. Bukowick

★ **Propellants & Explosives**

Mr. Kenneth R. Morgan

★ **Warheads & Rockets**

Mr. Albert J. Calabrese

★ **Munitions Technology**

Mr. James R. Viereg

★ **Large Caliber**

Mr. Victor Guadagno

★ **Systems**

Mr. Michael S. Wilson

★ **Medium Caliber**

Dr. Stephen L. Gurba

★ **Fuzes**

Mr. Michael H. Yoh

★ **GOCO's**

Mr. Rick Loghry, Co-Chair
ICAP

Ms. Elaine Kennedy, Recorder
ICAP

TOPICS DISCUSSED



- ❖ IMPROVING THE IMAGE OF AMMUNITION IN WASHINGTON
- ❖ GOCO/GOGO CONCERNS FOR THE FUTURE
- ❖ ACQUISITION POLICY AND BUSINESS ISSUES
- ❖ TRUST ISSUES/GOVERNMENT & INDUSTRY PERSPECTIVE
- ❖ PROCESS FOR EXCESSING INSTALLATIONS
- ❖ AMMUNITION PRODUCTION BASE ASSESSMENT
- ❖ DEMIL

The Challenge



Number Of Competitors + Amount Of Work + **Capacity For Needs** +
Replenishment Needs + **Desire For Multiple Year Contracts** + **Desire To**
Bundle + Requests To Direct Work - **Industry Consolidation** - **Companies**
Leaving Business + **Vertical Integration** + Smaller Profit Margins + **Full &**
Open Worldwide Competition + **Low Price Awards** - **Concerns For Foreign**
Competition Equity - Special Interest Groups - **Questionable Laws &**
Regulations + **Studies, Studies, Studies** - **Political Help** - **Conflicting**
Objectives - **Attractiveness To Commercial Companies** - ROI Uncertainties
- **Legal Paralysis** - **Cycle Time** - Success Based On Words + **Separation Of**
Product & Facilities - Cost Of Competition + **Safety** + **Successful Defense**
Conversion + ??? = **Tilt**

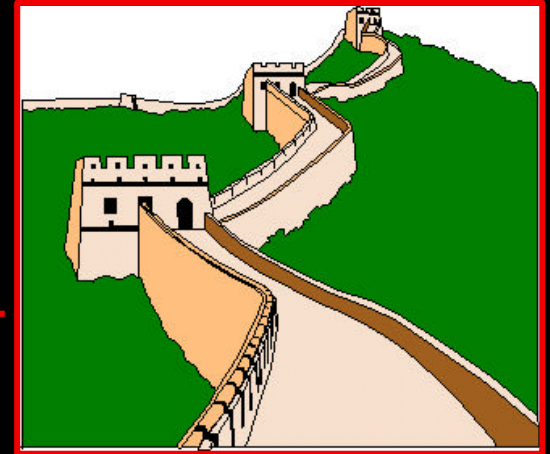
PROGRESS REQUIRES TRUST



TRUST IS FUNDAMENTAL TO SUCCESSFUL PARTNERING

WHAT IS THE EQUATION?

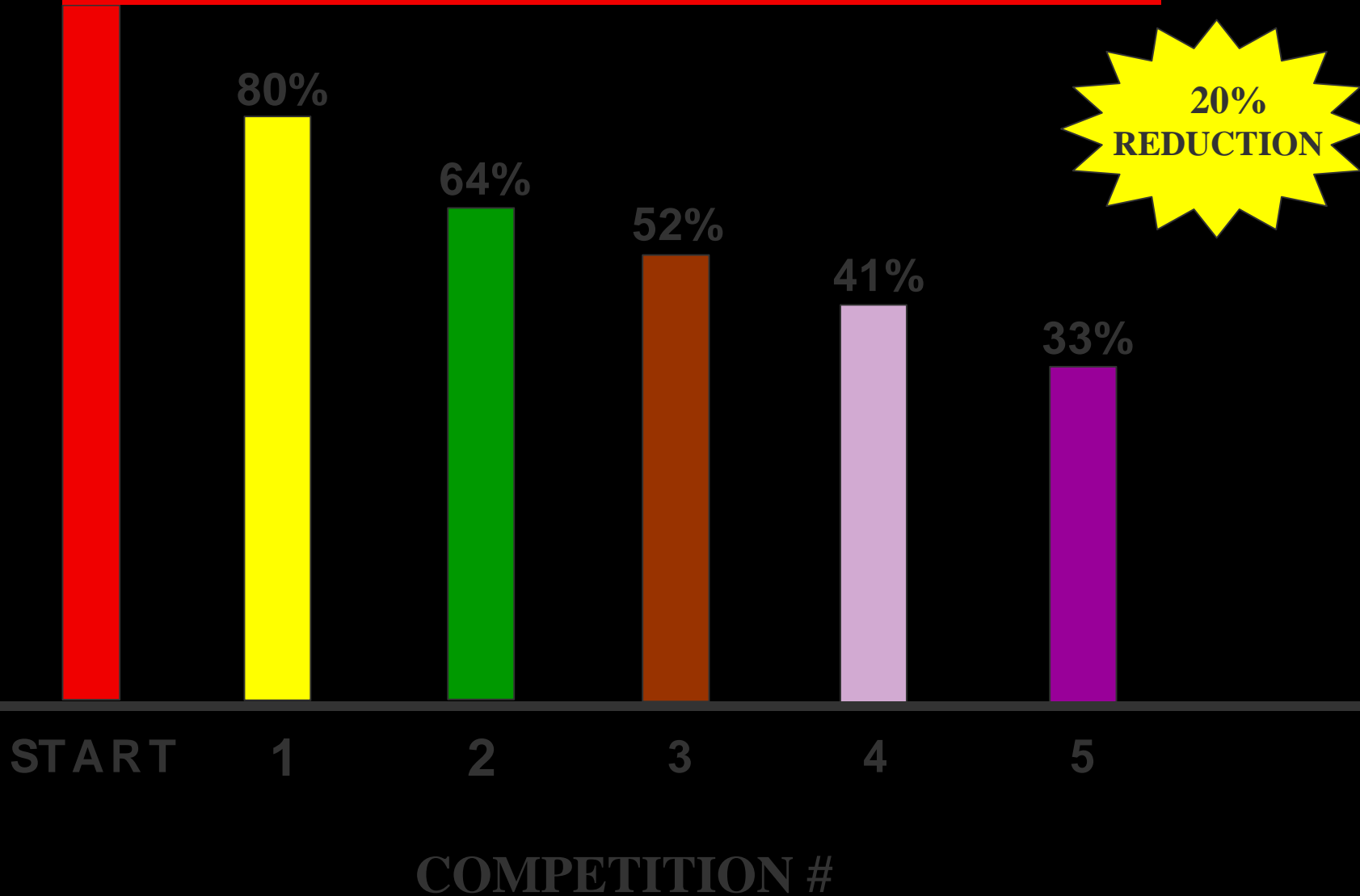
The Road To Trust



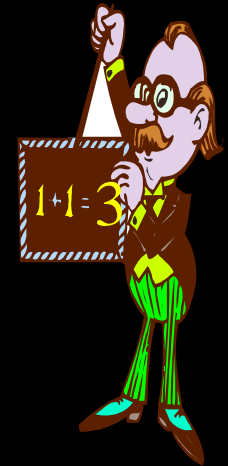
Clear Objectives + Known Desired Results + Way to Measure
+ Team Building + One Accountable Voice + Walk The Talk +
Take Ownership + Fix Problems Together + Understanding
Others Needs + Try It + Take Some Risks - Don't Go Over My
Head + Tell Me The Whole Story - Don't Compete Just To Do
It - Surprises + Right People + Attack Problem +
Communicate Success = Better Trust

COMPETITION MAGIC

Current Price 100%



WHAT'S WRONG WITH THIS EQUATION?



ANY EXISTING PRICE = MUCH BETTER PRICE
COMPETITION

IS IT TRUE THAT:



GOVERNMENT & CONTRACTORS WORK HARD TO REDUCE COST & IMPROVE EFFECTIVENESS CONTINUOUSLY?



THERE IS A FEASIBLE LIMIT FOR COST REDUCTION GIVEN ANY PROCUREMENTS T&C'S?



FIRM FIXED PRICE IS ALWAYS THE RIGHT ANSWER?



PERFORMANCE SPECS ELIMINATE NEED FOR OVERSIGHT AND PRESCRIPTIVE REGULATIONS?



ALL COST VARIABLES LIKE LABOR, BENEFITS, MATERIAL, AND OVERHEAD HAVE AN EQUAL PROBABILITY FOR REDUCTION?



MOST EASY OVERHEAD REDUCTIONS HAVE BEEN TAKEN?

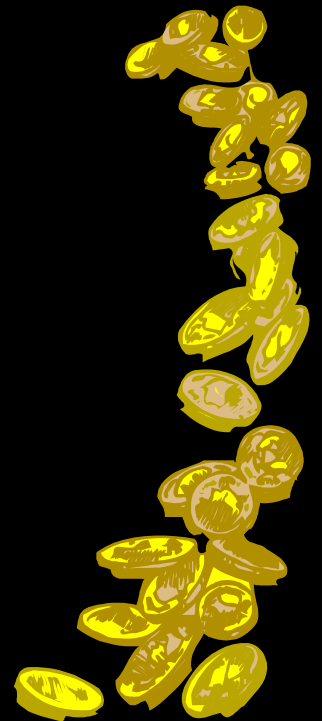


THE PNNL RECOMMENDATION AND GOVERNMENT REORGANIZATION ARE THE ANSWERS?

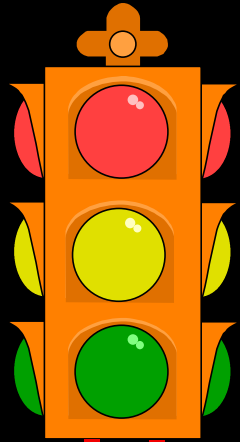


SOME FUNDAMENTALS FOR CONTRACTORS

- ❖ MUST MAKE PROFIT
- ❖ COMPETING OPPORTUNITIES FOR MARKETING DOLLARS
- ❖ BOARDS WATCH OUT FOR STOCKHOLDER INTEREST
- ❖ RISKY TO GUESS AT BUDGETS, CUSTOMER STRATEGY, QUANTITY OF EACH ITEM, AND IMPACT OF RESTRUCTURING



SOME MIXED SIGNALS



STRONG USA = FIND SOLUTIONS TOGETHER NOW!!

